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1987/10/09



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United States Department of State
Bureau of Intelligence and Research
Intelligence Research Report

Trade of NATO Countries With China, 1983-86

IRR No. 129 - October 9, 1987

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Although the trade of NATO countries with China has been small, it continues to grow slowly in the case of most NATO countries, and it is important to China.

During the 1983-86 period (see Table I), the combined imports of all NATO countries from China, as a percentage of the NATO members' total imports, rose from 0.5 percent in 1983 to 0.6 percent in 1984 and 0.7 percent in 1985 and in 1986. Exports rose from 0.7 percent in 1983 to 0.8 percent in 1984 and 1.1 percent in 1985, but fell to 0.9 percent in 1986.

Imports of the European NATO countries remained unchanged at 0.4 percent of their total imports in 1983, 1984, and 1985 and then rose to 0.5 percent in 1986. Their exports to China, as a percentage of their total exports, increased from 0.4 percent in 1983 to 0.5 percent in 1984 and 0.8 percent in both 1985 and 1986.

Table II shows imports and exports by individual countries. Between 1983 and 1986 only six of the European NATO countries imported annually from China more than 0.4 percent

^{1/} This report supplements INR Report No. 128, "Trade of NATO Countries With European CEMA Countries, 1983-86," UNCLASSIFIED, October 8, 1987.

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of their total imports: Denmark, 0.6 percent in the years 1983, 1984, and 1985 and 0.9 percent in 1986; France, 0.5 percent in 1985 and 1986; the Federal Republic of Germany, 0.5 percent in 1983, 1984, and 1985 and 0.6 percent in 1986; Italy, 0.5 percent in 1983 and 1984, 0.6 percent in 1985, and 0.7 percent in 1986; Spain, 0.7 percent in 1986; and Turkey, 0.6 percent in 1985 and 0.8 percent in 1986.

Exports generally rose slightly. Seven of the European NATO countries, in one or more of the four years, sent more than 0.6 percent of their total exports to China: France, 0.8 percent in 1985; the FRG, 1.2 percent in both 1985 and 1986; Greece, 1.0 percent in 1985; Italy, 1.0 percent in both 1985 and 1986; Spain, 0.8 percent in 1984, 2.0 percent in 1985 (the highest of any European country in the four-year period), and 1.2 percent in 1986; Turkey, 1.6 percent in 1986; and the United Kingdom, 0.7 percent in 1987.

Canada's imports during the four years ranged from 0.3 percent to 0.5 percent of its total imports. Exports decreased from 1.8 percent in 1983 to 1.1 percent in 1984 and in 1985 and to 0.9 percent in 1986.

US trade with China in 1986 increased for imports and decreased for exports, compared with 1985. Imports amounted to \$4.8 billion (1.3 percent of total imports, compared with 1.1 percent in 1985). Exports amounted to \$3.1 billion (1.4 percent of total exports, compared with 1.8 percent in 1985). Exports of agricultural products dropped to \$57 million in 1986, or 1.8 percent of all exports to China, down sharply from 4.0 percent the previous year.

For the period January through July 1987, compared with the same period in 1986, US exports to China, as a percentage of total US exports, decreased from 1.6 percent in 1986 to 1.3 percent in 1987, or from \$2.0 billion to \$1.8 billion.

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Sources

1. Organization for Economic Cooperation and Development, Statistics of Foreign Trade, Monthly Bulletin, Series A, various dates.
2. US Department of Commerce, Bureau of the Census, Highlights of US Export and Import Trade, Report FT 990, July 1987.

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TABLE I

TRADE OF NATO WITH CHINA, 1983-86
(in millions of dollars)

Country/Area	1983			1984			1985			1986		
	Total from (or to) entire world	From (or to) China	Trade with China as % of world trade	Total from (or to) entire world	From (or to) China	Trade with China as % of world trade	Total from (or to) entire world	From (or to) China	Trade with China as % of world trade	Total from (or to) entire world	From (or to) China	Trade with China as % of world trade
<u>Imports (c.i.f.)</u>												
European NATO	642,055.3	2,506.4	0.4	653,278.6	2,661.0	0.4	683,404.6	3,048.7	0.4	802,736.9	4,221.8	0.5
Canada (f.o.b.)	61,332.8	199.4	0.3	74,003.9	257.5	0.3	76,859.5	295.6	0.4	81,313.7	407.8	0.5
US (f.o.b.)	258,048.0	2,244.0	0.9	325,725.6	3,064.8	0.9	345,276.0	3,861.6	1.1	369,961.2	4,771.2	1.3
Total NATO	961,436.1	4,949.8	0.5	1,053,008.1	5,983.3	0.6	1,105,540.1	7,205.9	0.7	1,254,011.8	9,400.8	0.7
<u>Exports (f.o.b.)</u>												
European NATO	613,851.6	2,618.9	0.4	627,535.4	3,055.4	0.5	665,575.5	5,591.4	0.8	806,813.7	6,576.0	0.8
Canada	73,810.4	1,305.6	1.8	86,862.4	987.2	1.1	87,355.4	936.1	1.1	86,663.2	795.6	0.9
US	200,538.0	2,173.2	1.1	217,887.6	3,004.8	1.4	213,146.4	3,855.6	1.8	217,304.4	3,106.8	1.4
Total NATO	888,200.0	6,097.7	0.7	932,285.4	7,047.4	0.8	966,077.3	10,383.1	1.1	1,110,781.3	10,478.4	0.9

TABLE II

TRADE OF NATO COUNTRIES WITH CHINA, 1983-86
(in millions of dollars, c.i.f.)

Country/Area	Value				Percent of Total Imports			
	1983	1984	1985	1986	1983	1984	1985	1986
A. Imports								
Belgium-Luxembourg	112.4	111.2	128.4	211.0	0.2	0.2	0.2	0.3
Denmark	96.6	102.0	112.8	194.3	0.6	0.6	0.6	0.9
France	430.8	438.0	495.6	708.0	0.4	0.4	0.5	0.5
FRG	768.0	850.8	871.2	1,250.4	0.5	0.5	0.5	0.6
Greece	26.8	22.4	22.2	26.9	0.3	0.2	0.2	0.2
Iceland	1.9	1.6	1.7	2.1	0.2	0.2	0.2	0.2
Italy	415.2	434.4	586.8	681.6	0.5	0.5	0.6	0.7
Netherlands	178.4	167.2	189.5	267.8	0.3	0.3	0.3	0.4
Norway	28.9	30.6	33.4	52.9	0.2	0.2	0.2	0.3
Portugal	6.8	8.3	9.6	15.0	0.1	0.1	0.1	0.2
Spain	83.9	114.2	133.2	239.2	0.3	0.4	0.4	0.7
Turkey	5.1	8.3	64.7	93.8	0.1	0.1	0.6	0.8
UK	351.6	372.0	399.6	478.8	0.4	0.4	0.4	0.4
Total European NATO	2,506.4	2,661.0	3,048.7	4,221.3	0.4	0.4	0.4	0.5
Canada (f.o.b.)	199.4	257.5	295.6	407.8	0.3	0.3	0.4	0.5
US (f.o.b.)	2,244.0	3,064.8	3,861.6	4,771.2	0.9	0.9	1.1	1.3
Total NATO	4,949.8	5,983.3	7,205.9	9,400.8	0.5	0.6	0.7	0.7

TABLE II (cont'd)

TRADE OF NATO COUNTRIES WITH CHINA, 1983-86
(in millions of dollars, f.o.b.)

Country/Area	Value				Percent of Total Imports			
	1983	1984	1985	1986	1983	1984	1985	1986
B. Exports								
Belgium-Luxembourg								
Denmark	213.5	242.9	267.6	359.8	0.4	0.5	0.5	0.5
France	59.2	73.0	100.9	129.7	0.4	0.5	0.6	0.6
FRG	441.6	312.0	777.6	667.2	0.5	0.3	0.8	0.6
Greece	1,075.2	1,038.0	2,230.8	2,863.2	0.6	0.6	1.2	1.2
Iceland	4.7	26.2	46.9	29.0	0.1	0.5	1.0	0.5
Italy	-	-	-	insig	-	-	-	insig
Netherlands	265.2	450.0	789.6	1,002.0	0.4	0.6	1.0	1.0
Norway	132.4	168.2	246.2	209.0	0.2	0.3	0.4	0.3
Portugal	42.0	78.8	93.1	66.6	0.2	0.4	0.5	0.4
Spain	16.7	14.8	13.2	23.2	0.4	0.3	0.2	0.3
Turkey	108.2	187.6	478.4	319.7	0.5	0.8	2.0	1.2
UK	17.8	40.3	33.5	120.6	0.3	0.6	0.4	1.6
	242.4	423.6	513.6	786.0	0.3	0.4	0.5	0.7
Total European NATO	2,618.9	3,055.4	5,591.4	6,576.0	0.4	0.5	0.8	0.8
Canada								
US	1,305.6	987.2	936.1	795.6	1.8	1.1	1.1	0.9
	2,173.2	3,004.8	3,855.6	3,106.8	1.1	1.4	1.8	1.4
Total NATO	6,097.7	7,047.4	10,383.1	10,478.4	0.7	0.8	1.1	0.9